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Report Highlights:

Announcement on HFCS Antidumping Case*Egg Consumption

Campaign*Farmers Plan Border Blockade Over Water

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1], MX

Welcome to Hot Bites from Mexico, a weekly review of issues of interest to the U.S. agricultural community. The topics covered in this report reflect developments in Mexico that have been garnered during travel around the country, reported in the media, or offered by host country officials and agricultural analysts. Readers should understand that press articles are included in this report to provide insights into the Mexican "mood" facing U.S. agricultural exporters. Significant issues will be expanded upon in subsequent reports from this office.

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ANNOUNCEMENT ON HFCS ANTIDUMPING CASE

On May 7, 2002, the Secretariat of Economy (SE) published in the "*Diario Oficial*" (Federal Register) a final decision from the Binational Panel established by NAFTA on the U.S. high fructose corn syrup (HFCS) antidumping duties case. The Binational Panel decided that the SE did not provide any evidence of damage to the domestic sugar industry to justify the imposition of compensatory duties on U.S. HFCS imports being, therefore, inconsistent with international regulations. The Mexican government has 30 days from April 15, 2002, the date the Panel decision was issued, to comply with the Panel's decision. For additional information, see report MX2067. (Source: *Diario Oficial*, 5/07/02)

EGG CONSUMPTION CAMPAIGN

According to a local newspaper, the Poultry Producers Association (UNA) in Mexico began a campaign to promote egg consumption. Mr. Cesar de Anda, president of UNA, indicated that Mexico is the largest consumer in the world of fresh eggs with a yearly per capita consumption of 20.3 kg. Egg prices have had a tendency to decrease in real terms, for example in 1996 a minimum wage could buy 2.58 kg of eggs, and in 2001, the purchasing power increased to 4.19 kg. of eggs. Current prices during April 2002 were approximately \$9.50 pesos/kg for white eggs (US\$0.99/kg), and \$10.50 for brown eggs (US\$1.09/kg). UNA's campaign will say, "May - The Month for Eggs," and prices will be set lower at approximately \$8.50 pesos/kg (US\$0.83/kg). This will also force producers to reduce the cost of production. (Source: *El Financiero*, 5/07/02)

FARMERS PLAN BORDER BLOCKADE OVER WATER

Mexican and U.S. farmers are expected to block three international bridges between south Texas and northern Mexico this week in an effort to focus attention on a devastating cross-border water shortage. The threat stems from farmers' anger over a report released last week by the International Boundary and Water Commission (IBWC) that shows the state of Chihuahua has stored excess water in reservoirs upriver for its own use, instead of releasing it into the Rio Bravo (known as the Rio Grande on the northern side of the border) for use in south Texas and

the adjacent border state of Tamaulipas. As a result, sorghum and citrus production has

dwindled during the water shortage, causing a hardship for farmers on both sides of the border. According to a 1944 treaty, one-third of the water at the main stem of the Rio Bravo is to be released into two international reservoirs, with one-third of that earmarked for distribution to farmers in south Texas and two-thirds going across the border to farmers in Tamaulipas. The IBWC report states that during the five-year period that ended in September 2001, Chihuahua stored 11.7 million acre-feet of water in reservoirs on five tributaries mentioned in the treaty. During that time, Chihuahua released 10.2 million acre-feet of water for its state's use, and 1.2 million acre feet into the Rio Bravo for use downstream in south Texas and Tamaulipas. An acre-foot of water is the amount needed to cover an acre (0.4 hectares) at a depth of one foot (30 cm) and equivalent to 325,850 gallons (1.23 million liters). (Source: *The News*, 5/7/02)

REPORTS SUBMITTED RECENTLY BY FAS/MEXICO CITY

| REPORT # | TITLE | DATE |
|-----------------|--|-------------|
| MX2065 | Weekly Highlights & Hot Bites, Issue #15 | 5/3/02 |
| MX2067 | Announcement on HFCS Antidumping Case | 5/8/02 |

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